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December 8, 2003

Ms. Jean Gray Assistant Regional Manager for Power Marketing Western Area Power Administration P.O. Box 6457 Phoenix, AZ 85005-6457

DSW REGIONAL OFFICE OFFICIAL FILE COPY					
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Re: Draft Amendment No. 1 to Contract No 87-BCA-10103 between Western and Salt River Project

Dear Jean:

SRP hereby supplements comments it submitted to you by letter dated October 27, 2003.

Section 5.1.1 of the subject draft agreement states "The CROD will be available in any hour within the billing period" which implies access to the CROD in real-time. However, SRP has been unable to take the reserve credit for the difference between SRP's CROD and SRP's energy schedule because of Western's current scheduling practice which requires SRP to schedule two days in advance. SRP believes that the scheduling practice of Western should not, in this case, negate the reserves to which SRP is entitled.

SRP requests that we be permitted to claim the unloaded capacity for reserves.

Sincerely,

Mark S. Mitchell

Manager, Power Marketing